



# THE ECONOMIC ALLIANCE FOR MICHIGAN

*The Statewide Business-Labor Coalition*

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July 30, 2013 Testimony before the Senate House Operations Committee on HB 4714

Thank you, Senate Majority Leader Richardville and members of the Committee. I am here to encourage you on behalf of the Economic Alliance membership and Board to support House Bill 4714, dealing with the reform of Michigan's Medicaid program. Aside from some of the positive reforms included in the bill, the main point of decision is whether the many or the few pay for the proposed expansion population's healthcare coverage. We believe placing this population in the Medicaid program will spread the costs of coverage and provide accountability for how those healthcare dollars are spent.

For decades private healthcare purchasers have covered the costs incurred by those that cannot afford their own healthcare. These costs have put a significant burden on Michigan's job providers and workers who end up paying for healthcare three ways: we pay for our own healthcare, we pay taxes for Medicare and Medicaid, and we pay for uncompensated care. Not only is this transfer of uncompensated care costs to healthcare purchasers inefficient, but those that pay have no say for how those healthcare dollars are spent. There is no accountability. By moving these patients to the Medicaid program we will know how the funds are spent, and because of the reforms in the bill, try to manage the care of that population and help them make better decisions.

I understand the choice is tough. The legislature is deciding to continue to burden Michigan's job providers and workers if they oppose HB 4717, or they are asking taxpayers at large to assume this responsibility. As an organization that represents job providers and workers, we are probably biased that the burden should not continue to fall on us.

There has been a lot of talk about the role of the private sector vs a Government program. And while Michigan's Medicaid program is not perfect, it functions very well because of the partnership between the State's administrative function, the management of the benefits by Private Medicaid Plans, and by the delivery of healthcare serves by private providers. Private entities, whether they be Medicaid HMOs, or Doctors or Hospitals, share the responsibility in making Michigan's Medicaid program a success.

Finally, I want to commend Sen. Kahn and the workgroup, as well as the House members who influenced the bill for pushing the State, the Providers, Health Plans, and the Enrollees to work towards cost savings for the program. We would hope that some cost savings from these reforms are used for adequate reimbursement for services provided.